(d) The Government as a matter of policy is committed to ensuring steady flow of institutional credit for this segment of khadi and village industry. The implementation of the scheme is monitored periodically at various levels in order to further smoothen the flow of credit to them. KVIC also regularly interacts with banks in order to overcome various issues involved in the funding under ISEC Scheme. A meeting has been held on September 29, 2008 by Secretary to the Government of India (Ministry of Micro, Small and Medium Enterprises) with the officials concerned of the Reserve Bank of India and KVIC to further improve the implementation of the ISEC Scheme.

Plan to upgrade SMEs

884. MS. MABEL REBELLO:

SHRI B.J. PANDA:

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) whether his Ministry has drawn up an ambitious plan to upgrade SMEs with the help of foreign designers; and

(b) if so, the details thereof *interalia* indicating those which are proposed to be upgraded in Orissa and Jharkhand States to improve the economy of these regions?

THE MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI MAHAVIR PRASAD): (a) and (b) Ministry of MSME has drawn up a National Manufacturing Competitiveness Programme to upgrade small and medium enterprises (SMEs) through various interventions, one of which will concentrate on improving designs. Specificities of the proposed scheme will be worked out once a Detailed Project Report (DPR) is finalized.

Failure of ISEC Scheme

885. DR. K. MALAISAMY: Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) who is mainly responsible for the failure of Interest Subsidy Eligibility Certificate (ISEC) Scheme, concerned bank or KVIC;

(b) whether there is an evaluation study on this and if so, what are their findings;

(c) whether the recommendations been implemented and if not, the reasons therefor; and

(d) at what time there could be a steady credit flow from the banks to the implementing agencies of KVIC?

THE MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI MAHAVIR PRASAD): (a) The Interest Subsidy Eligibility Certificate (ISEC) Scheme, implemented by the Khadi and Village Industries Commission (KVIC), has not been a failure as loans have been provided by the Banks to the khadi and village industry (KVI) institutions implementing khadi and polyvastra programme, after taking into account the assessment certificates issued by KVIC. During 2007-08, loans estimated at Rs. 227.62 crore have been provided by the Banks under the ISEC Scheme.

(b) and (c) An evaluation study of the ISEC Scheme has been got conducted by KVIC through an independent professional agency, which has submitted its final report during the second quarter of 2008-09. The main findings of evaluation study of the scheme include:–

(i) KVIC should take up the issue of adequate institutional finance with the Reserve Bank of India (RBI) and National Bank for Agriculture and Rural Development (NABARD) on a priority basis and ensure that the Khadi and Village Industries (KVI) sector get the credit as per requirement.

(ii) Banks should be impressed upon to follow the guidelines of RBI in letter and spirit for the calculation of the credit requirement of the khadi institutions.

(iii) KVIC should start a special campaign and encourage its implementing agencies to obtain credit rating from the renowned agencies and reimburse the rating fee for the first year, to begin with, which will enable khadi / polyvastra institutions to avail bank credit on the one hand and to enjoy benefit of lower interest rate offered by certain Public Sector Banks on the other hand.

(iv) KVIC's representatives should sit with Lead Bank officers at the district level and the representatives of other leading banks to work the viability of enterprises and such viability would decide on the norms as well. These shall be accepted by all banks.

(v) Banks / Financial institutions should interact with Khadi units and study their activities so as to clear their doubt towards the cycle of utilization as well as productivity and performance of khadi and polyvastra units.

The recommendations contained in the Report are yet to be considered by KVIC and have not come up for consideration before the Government (in the Ministry of Micro, Small and Medium Enterprises) yet.

(d) As stated in answer to part (a) of the question above, the credit flow from the Banks has been steady. A meeting has also been held on September 29, 2008 by Secretary to the Government of India (Ministry of Micro, Small and Medium Enterprises) with the officials concerned of the Reserve Bank of India and KVIC to further improve the implementation of the ISEC Scheme.

Assistance to Minorities for setting up of SMEs

886. SHRI KAMAL AKHTAR:
SHRI ABU ASIM AZMI:

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) the details of the assistance provided by Government to the people belonging to Minority Community for setting up Small and Medium Industries;

(b) the amount of assistance provided to the people of Minority Community (Muslims) during the last two years, year-wise along with the beneficiaries thereunder, State-wise particularly in Uttar Pradesh; and

(c) the budgetary provision made for the financial year 2007-08 and 2008-09 for the purpose?

THE MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI MAHAVIR PRASAD): (a) to (c) The promotion of Micro, Small and Medium Enterprises is primarily the responsibility of the respective State Governments. However, the Government of India supports and supplements the efforts of the States Governments / UT Administrations through various Schemes / Programmes